



# **PSC NEWS**

## **Missouri Public Service Commission**

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**FOR IMMEDIATE RELEASE**

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### **PSC ORDERS EARLY REDUCTION IN NATURAL GAS RATES FOR LACLEDE GAS COMPANY CUSTOMERS**

JEFFERSON CITY—To reflect estimated changes in the wholesale cost of natural gas, Laclede Gas Company (Laclede) customers will see natural gas rates drop by approximately 7% under a filing which will take effect on Wednesday, January 11, 2006. Laclede's filing originally contemplated a January 20, 2006 effective date.

"Every dollar counts for consumers who have been dealing with high natural gas bills this winter," said PSC Chairman Jeff Davis. "That is why it is important that the Commission act quickly in order for consumers to receive this rate relief as soon as possible," Davis said.

A residential customer currently pays approximately \$1.13 per therm (per 100 cubic feet of gas). Under this filing, Laclede will drop that rate to approximately \$1.03 per therm (per 100 cubic feet of gas), a decrease of approximately \$0.10 per therm.

According to Laclede, a typical residential customer will experience a rate decrease during the January through March period of approximately \$19 a month, or 7% compared to existing rates. Laclede says the rate change will reduce, by nearly 30%, the increase that Laclede filed for in November of 2005 to reflect higher wholesale natural gas prices in effect at that time.

Approximately 70% to 80% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. The wholesale cost of natural gas (the cost your local natural gas company must pay to its suppliers for natural gas) is not regulated by the Missouri Public Service Commission. The wellhead cost of natural gas is unregulated and is primarily driven by supply, demand and the weather. The Missouri Public Service Commission does conduct an annual regulatory review to ensure that regulated natural gas companies make prudent decisions in securing natural gas supplies for their customers.

Laclede Gas Company serves approximately 631,000 natural gas customers in the City of St. Louis as well as the Missouri counties of St. Louis, St. Charles, Butler, Iron, Franklin, Jefferson, Madison, St. Francois and Ste. Genevieve.